



**MINUTES OF THE CITY COUNCIL WORK SESSION held Monday, June 3, 2002, for the purpose of reviewing new information on the Police Department retirement system prior to adoption of the Fiscal Year 2003 budget.**

Mayor Davis started the meeting at 7:05 p.m. It was held in the Council Room of the Municipal Building.

PRESENT WERE: Council members Edward V. J. Putens, Rodney M. Roberts, Alan Turnbull, Thomas X. White, and Mayor Judith F. Davis.

STAFF PRESENT WERE: Michael P. McLaughlin, City Manager; Jeffrey Williams, City Treasurer; Robert A. Manzi, City Solicitor; David E. Moran, Assistant to the City Manager; Chief James Craze, Lt. Daniel O'Neil, Lt. Michael Craddock, Police Department; and Kathleen Gallagher, City Clerk.

ALSO PRESENT WERE: MPO Craig Rich, MPO Michael Lanier, and MPO John Rogers, Fraternal Order of Police; Cpl. Robert Musterman, MPO John Dewey, MPO Ronald Walter, MPO Gordon Pracht, Police Department; Sheldon Goldberg, Advisory Planning Board; Jim Giese, Greenbelt News Review; and Amy Boyes, the Gazette, and others.

At the Mayor's request, Mr. McLaughlin explained the events that led up to this meeting. At their budget work session with Council, the Fraternal Order of Police (F.O.P.) recommended moving from the Municipal Corporation Law Enforcement Officers Pension System of Maryland (MCLEO) to the Law Enforcement Officers Pension System (LEOPS) for the Police Department. Both require 25 years on the force, but LEOPS pays a higher benefit. Council directed staff to look further into the financial implications. Information solicited from the state on the costs of making the transfer was received only last Wednesday. Some cities have received a credit upon going from one system to the other; however, because of the demographics of the Greenbelt police force, the City would instead have an accrued liability that would result in an annual payment of about \$54,000 for 20 years. In addition, the annual cost would be about \$760,000 to \$800,000, depending on the staffing level of the department, compared with \$380,000 to \$400,000 for MCLEO. The department had suggested several possibilities for helping to make up the difference, including using the City's 5% contribution to deferred compensation, reducing the City's match on deferred compensation to 2.5%, and one-time offsets of a replacement police cruiser and delay in hiring a police cadet.

The Mayor asked Lt. O'Neil to address the advantages of LEOPS from the department's point of view. He responded that the primary advantage would be in the level of pay-out, approximately 50%, compared with about 29% for MCLEO. In addition, LEOPS would pay a spousal benefit of 50% for life. And, although both systems require 25 years on the force, LEOPS allows retirement at age 50 rather than 62. He added that officers would be making a pre-tax payment of 4% to LEOPS, while they had not been required to contribute to MCLEO.

Mr. Putens said he did not like the idea of raising taxes further without time for public notification and comment.

Mr. McLaughlin said Council did have the option of waiting to adopt the budget at the June 10 meeting. The state would wait for a decision on the retirement program until June 11, and the requirements for the Constant Yield Tax Rate would be met if it was announced tonight that the tax rate would be set June 10.

Mayor Davis said she would want to have another public hearing on June 10. She asked if other Council members were open to talking about making this change and deferring budget adoption for a week. There was consensus that such a change could not be made tonight but that Council was willing to continue to discuss it. There was also shared concern with how the costs would be funded long term. Mr. Putens stressed to the F.O.P. representatives that the City will be flat on real property tax revenues for the next two years and thus must find funds to pay for any change.

Council recessed the work session at 7:55 p.m. in order to hold the Special Meeting that had been scheduled to adopt the budget. The work session was reconvened at 8:12 p.m.

Discussion of various alternatives for funding the change in retirement systems continued. MPO Lanier stressed the importance of making the change sooner rather than later, noting that if action was deferred, another actuarial study would be needed.

Mr. Roberts said he did not want to play games with finding a way to pay for this year's costs and that he would prefer to raise taxes as needed up front to cover the long-term cost. He said he wanted time to hear from residents before making a decision. Mr. Turnbull agreed that if the change is warranted, then a tax increase is the most straightforward way of handling it.

Mr. Turnbull raised the question of whether recruitment or retention is the department's higher priority as a need. Chief Craze said the retirement package impacted both; MPO Rogers agreed that the department had always discussed both salary and benefits as issues.

Council directed staff to develop information for four budget scenarios to be considered at the June 10 meeting, ranging from least to most tax rate impact.

The meeting ended at 10:10 p.m.

Respectfully submitted,  
Kathleen Gallagher  
City Clerk